



Service Retirement Packet

(TMRS-SRP)

Purpose:

When a member becomes eligible for service retirement, he or she may apply for a monthly retirement payment by completing the forms provided in this packet.

In most TMRS cities, you can retire when you have at least 5 years of service credit (some cities require 10 years) and are at least age 60. You may also retire at any age if you have 20 or 25 years of service credit, depending upon the plan your city has chosen. (A few cities require 28 years of service credit at any age.)

FORMS INCLUDED IN THIS PACKET:

- Application for Service Retirement (TMRS-0015)
- Selection of Retirement Plan (TMRS-24)
- Selection of Partial Lump Sum Distribution (TMRS-PLSD)
- Special Tax Notice Notice Regarding Plan Payments
- Acceptable Proofs of Birth (TMRS-27)
- Name Certification (TMRS-30)
- Electronic Direct Deposit Authorization (TMRS-80E)

Texas Municipal Retirement System
P.O. Box 149153
Austin, Texas 78714-9153

800.924.8677 • 512.476.7577 • FAX 512.476.5576 • www.TMRS.com

Application for Service Retirement

MEMBER INFORMATION

Please type or use only black ink and do not highlight. Any corrections must be initialed.

| | | | |
|-------------------------------------|-------|-----|---|
| Member's Name (first, middle, last) | | | TMRS Identification Number (Not required) |
| Mailing Address | | | Social Security Number |
| City | State | Zip | Daytime Phone Number |
| | | | Employing City |

I certify that I **was** ☐ / **was not** ☐ a Public Safety Employee when I separated from service from the employing city listed below.
(Public Safety Employee is defined in the instructions provided with this form.)

I hereby make formal application for service retirement benefits in accordance with the provisions of

Subtitle G, Title 8, Texas Government Code, to be effective on the last day of _____
Date (MM/YYYY)

Note: The retirement date must be the last day of the calendar month, cannot precede the date you terminate employment, and cannot precede the date you file this application. By signing the application below, you agree to waive any requirement to file the application at least 30 days before the effective date of your retirement. In addition, your city may have specific notification requirements. Please check with your city personnel office to ensure all city requirements have been satisfied.

I **do** ☐ / I **do not** ☐ elect to receive a **partial lump-sum distribution** upon my retirement.

All lump-sum distributions will be made as a one-time payment, payable at the same time as the first monthly annuity payment. Election of the partial lump-sum distribution will reduce my monthly annuity payment.

MEMBER CERTIFICATION

I understand that if I am employed by any TMRS member city after my retirement, in a position requiring at least 1,000 hours of duty per year, I will resume membership in the System and make required contributions as an active member. If the city is a **different** city than the one I retired from, I understand that I will continue to receive a monthly annuity. However, if I return to work for the **same** city I retired from, I understand that the monthly annuity will be suspended until such time as my employment with the city terminates.

| | |
|--------------------|--------------------------|
| Member's Signature | Date Signed (MM/DD/YYYY) |
|--------------------|--------------------------|

EMPLOYER CERTIFICATION

I certify that the above named applicant is known to me and that he/she has been an employee of this city. I further certify

that this applicant's employment with the city has/will terminate **on** _____ and that all of the applicant's
Date (MM/YYYY)

retirement contributions will have been submitted to TMRS with the city's payroll report for the **month of retirement**.

| | |
|----------------------------|--------------------------|
| Signature of City Official | Date Signed (MM/DD/YYYY) |
|----------------------------|--------------------------|

| | |
|------------------------|----------------|
| Printed Name and Title | Employing City |
|------------------------|----------------|

Please read the instructions provided with this form.



THE APPLICATION PROCESS

- The Application for Service Retirement form allows you to make formal application for service retirement with the Texas Municipal Retirement System. This form also indicates whether you wish to take a partial lump sum distribution. If you are taking a partial lump sum distribution, you must also complete the Selection of Partial Lump Sum Distribution form and return the form to TMRS along with your retirement application.
 - Your retirement date must be the last day of the calendar month, cannot precede the date you terminate employment and cannot precede the date you file this application. By signing this application, you agree to waive any requirement to file the application at least 30 days before the effective date of your retirement.
 - Your employing city may have specific requirements for you to notify them of your retirement. Notifying your city and applying to TMRS for retirement are two separate processes. Please coordinate your retirement with your city personnel office to ensure you have met the city's requirements.
 - You must complete the following forms before TMRS issues your first payment:
 - Application for Service Retirement — to be completed by you and certified by your employer
 - Selection of Retirement Plan
 - Selection of Partial Lump Sum Distribution — to be completed by you **ONLY** if you elect to receive a partial lump sum distribution.
 - Your proof of birth (photocopy)
 - Proof of birth for your designated beneficiary only if you choose one of the Retiree Life with Survivor Benefits options
- NOTE:** *If the birth name on the proof of birth is different from the names provided on your application (for you or your beneficiary), a Name Certification will need to be completed.*
- Electronic Direct Deposit Authorization — Retiring members must have their monthly annuity payments electronically deposited to their financial institutions.

RETURNING TO WORK

- If you become reemployed by this city at a later date, in a membership-eligible position, your monthly benefit payments from this city will be suspended during your post-retirement employment.
- When your post-retirement employment ends, you must apply for the resumption of your suspended monthly benefit payment. At that time, you will also be eligible to elect:
 1. A lump sum refund of your post-retirement deposits and interest earnings, if any, or
 2. An additional monthly benefit payment based on the retirement credits earned during your post-retirement employment.

WHEN TO EXPECT PAYMENT

Retirement payments will begin the last day of the month following the effective date of retirement.

NOTE: *Monthly payments will be electronically deposited to your financial institution.*

TMRS WILL NOT ACCEPT

- Illegible forms. All forms should be typed. Handwritten forms will be accepted only if legible and if completed in black ink.
- Alterations without initials.
- An incomplete form or any attempt to change its provisions.

PUBLIC SAFETY EMPLOYEE

Under the 2006 Pension Protection Act, the 10% early withdrawal tax is waived for distributions made to public safety employees who separate from service during or after attaining age 50. A “qualified public safety employee” is defined as any employee of a state (or political subdivision) whose principal duties include services requiring specialized training in the area of police protection, fire-fighting services, or emergency medical services for any area within the jurisdiction of the state (or political subdivision). TMRS will require city certification from the city of last employment to qualify for this waiver. A certification form will be provided directly to the city once TMRS is notified that an employee may qualify.

INFORMATION ABOUT HEALTH CARE ENHANCEMENT FOR LOCAL PUBLIC SAFETY (HELPS)

The Pension Protection Act of 2006 allows retired or permanently disabled public safety officers (defined below) to elect an amount to be deducted from their TMRS benefit payment to pay for health or long-term care premiums in order to reduce their taxable income. The health insurance or long-term care insurance can include the member, spouse, and dependents. Any amount may be deducted that does not exceed the net monthly annuity. However, the amount that may be excluded from taxable income cannot exceed \$3,000 per year. Qualified employees who wish to participate in this deduction program should contact TMRS for an application.

A public safety officer has the same meaning as under Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968, which includes:

- An individual involved in crime and juvenile delinquency control or reduction, or enforcement of the criminal laws (including juvenile delinquency), including, but not limited to police, corrections, probation, parole, and judicial officers
- Professional firefighters
- Officially recognized or designated:
 - Public employee members of a rescue squad or ambulance crew
 - Chaplains or fire departments and police departments

Selection of Retirement Plan

MEMBER INFORMATION • Please type or use only black ink and do not highlight. Any corrections must be initialed.



Member's Name (first, middle, last) _____ Social Security Number _____

Mailing Address _____ Daytime Phone Number _____

City _____ State _____ Zip _____ City Number _____

MARITAL STATUS (must check one): ☐ Married ☐ Not married
(If married, see Spousal Consent section below)

TMRS Identification Number (not required) _____

BENEFICIARY DESIGNATION (LIMIT 3) Please read instructions carefully. If desired, alternate beneficiary designations may be completed on page 2.

Beneficiary's Full Name (first, middle, last) _____ Social Security Number _____

Sex: ☐ Male ☐ Female Relationship (required) _____ Date of Birth (MM/DD/YYYY) _____

Beneficiary's Full Name (first, middle, last) _____ Social Security Number _____

Sex: ☐ Male ☐ Female Relationship (required) _____ Date of Birth (MM/DD/YYYY) _____

Beneficiary's Full Name (first, middle, last) _____ Social Security Number _____

Sex: ☐ Male ☐ Female Relationship (required) _____ Date of Birth (MM/DD/YYYY) _____

CUSTODIAN UNDER THE TEXAS UNIFORM TRANSFERS TO MINORS ACT

You may designate a custodian if any beneficiary is under 21 years of age.

Custodian's Name (first, middle, last) _____ Custodian's Relationship to Beneficiary _____

RETIREMENT OPTIONS Please read instructions before completing, and check only one box.

| | | |
|--|---|---|
| Retiree Life Only Benefit (up to 3 beneficiaries) | Retiree Life – Survivor Benefits (only 1 beneficiary) | Retiree Life – Guaranteed Term Benefits (up to 3 beneficiaries) |
| <input type="checkbox"/> | <input type="checkbox"/> 100% <input type="checkbox"/> 75% <input type="checkbox"/> 50% | <input type="checkbox"/> 5 yr <input type="checkbox"/> 10 yr <input type="checkbox"/> 15 yr |

MEMBER SIGNATURE REQUIRED

This beneficiary designation revokes all previous beneficiary designations and will control for all purposes, even if retirement does not become effective. I request that, should I die, my retirement benefits and any Supplemental Death Benefits that may be due be paid as I have designated on this form. I understand that if my designated beneficiary(ies) or I should die before recovering the amount of accumulated deposits and interest in my individual account at the time of retirement, the remaining balance will be paid to my estate or beneficiary. I further understand that if I elect to receive a partial lump sum distribution at retirement, my remaining balance will be reduced by the same dollar amount. By signing this form, I certify that I have read the attached instructions and that my marital status is as indicated above.

Member's Signature _____ Date Signed (MM/DD/YYYY) _____

SPOUSAL CONSENT (NOTARIZATION REQUIRED)

Your spouse must complete this section if your spouse is not your only primary beneficiary or you have named someone other than your spouse as beneficiary, or if you have named your spouse and have not selected one of the Retiree Life-Survivor Benefits (100%, 75%, or 50%) options above. I understand that I may require my spouse to name me as beneficiary under a Survivor Life benefit. Nevertheless, I hereby consent to the beneficiary(ies) designated and the retirement option selected.

Spouse's Signature _____ Date Signed (MM/DD/YYYY) _____

The State of Texas County of _____

This instrument was acknowledged before me on the _____ day of _____, 20____, by _____
(SEAL) (Name of Spouse)

Notary Public, State of Texas

Please read the instructions provided with this form.

TMRS • P.O. Box 149153 • Austin, Texas 78714-9153 • 800.924.8677 • 512.476.7577 • FAX 512.476.5576 • www.TMRS.com
TMRS - 0024 • Revised 7-2009



DESIGNATING BENEFICIARIES

- Your beneficiary designation is effective immediately and revokes all previous beneficiary designations even if your retirement does not become effective. The number of beneficiaries you can designate will depend on the retirement option you select.
- Retiree Life - Survivor Benefits: **ONLY 1** beneficiary may be designated and you cannot change your beneficiary after your effective retirement date (unless your beneficiary dies before you and you remarry— please call TMRS directly for more information).
- Retiree Life Only and Retiree Life - Guaranteed Term Benefits: 1 – 3 beneficiaries or an Estate may be designated and you can change your beneficiary designation at any time.
- You may designate up to three primary beneficiaries and up to three alternate beneficiaries if you have selected either the Retiree Life Only Benefit or one of the Retiree Life - Guaranteed Term Benefits. Unless otherwise directed in writing on this form, your benefits will be paid equally to the surviving primary beneficiaries, or equally to the surviving alternate beneficiaries if there are no surviving primary beneficiaries. Contact TMRS for instructions on how to provide for unequal distributions.
- If you want to designate alternate beneficiaries, you must complete pages 1 and 2 of this form and submit both pages to our system. Your benefits will be paid to your alternate beneficiary only if your designation with respect to each primary beneficiary is revoked by death or if your relationship to each primary beneficiary terminates.

SUPPLEMENTAL DEATH BENEFITS (SDB)

- If your employer provides Supplemental Death Benefits (SDB) for retirees, at the time of your death, TMRS will pay a one-time lump sum payment of \$7,500. The SDB payment will be paid to the beneficiary(ies) designated on this form, even if you have previously designated a different SDB beneficiary.
- If you wish to designate a beneficiary other than the person(s) listed on this form to receive the SDB payment, you will need to complete the Supplemental Death Benefit Beneficiary Designation form.

ESTATE, TRUST, & CHARITY DESIGNATIONS

- If you wish to designate your Estate as beneficiary, please write only the word “ESTATE” in the space provided for the name of the beneficiary.
- If you wish to designate a Charity as beneficiary, please write the name of the charity (i.e., American Heart Association) in the space provided for the name of the beneficiary.
- If you wish to designate a Trust, please write “Trustee of the (enter name of trust here)” in the space provided for the name of the beneficiary. Please ensure that you have a legal trust agreement in place prior to designating a “Trust” on this form.
 - TMRS will accept the designation of a Trust. However, we cannot assure that if and when a benefit becomes payable from this System, the designation will be legally valid. In other words, if the trustee does not accept or has died, or if the Trust has been revoked, or if for any other reason the designation is not legally sufficient at the time of the member’s death, the benefit due from the System will be paid in accordance with the provisions of the TMRS Act as if no trust/trustee had been designated.
 - A Trust having more than one beneficiary may not receive benefits to which multiple designated beneficiaries are not eligible. A Trust that may be revoked is not a “designated beneficiary” under the Internal Revenue Code, and may not receive retirement system benefit payments for a period longer than five (5) years.

DESIGNATING MINOR CHILDREN (CUSTODIAN UNDER TUTMA)

Chapter 141 of the Texas Property Code is the Texas Uniform Transfers to Minors Act (TUTMA), which allows you to nominate a “custodian” to receive TMRS benefits on behalf of your minor beneficiary. If you wish to designate a minor child, please do the following:

- Write the full name and all information pertaining to the minor child in the “Primary Beneficiary” or “Alternate Beneficiary” section of the form. Then complete the “Custodian Section” directly under the beneficiary section.

RULES

- Only adults at least 21 years of age, financial institutions, corporations, or other legal entities may serve as custodians.
- You cannot nominate two or more custodians to serve jointly. However, you may designate a substitute custodian to serve in the event the first designated custodian dies before the first payment is made, declines, or is ineligible to serve. Please contact TMRS for instructions on how to nominate a substitute custodian.
- You may designate the same custodian for up to three minors. If one custodian is named for all three minors, that custodian would receive separate benefit payments for each minor.
- When the minor beneficiary reaches age 21, the custodianship for that beneficiary as to TMRS benefits is automatically terminated and any benefits that become payable will be paid directly to that beneficiary.
- The designated custodian can select any benefit option that the minor could select if the minor were an adult.
- If an eligible custodian is designated to receive benefits, there is no limit on the amount that can be paid to the custodian.
- The minor’s Social Security number is used for IRS reporting purposes.

Alternate Beneficiary Section (optional)

MEMBER INFORMATION *Please type or use only black ink and do not highlight. Any corrections must be initialed.*

Member's Name (first, middle, last)

Social Security Number

DESIGNATING AN ALTERNATE BENEFICIARY (LIMIT 3) *Please read instructions before completing. Unless otherwise specified, benefits will be divided equally among surviving alternate beneficiaries, only if the designation with respect to each primary beneficiary designated on page 1 of this form is revoked by death or if your relationship with each primary beneficiary has terminated.*

Beneficiary's Full Name (first, middle, last)

Social Security Number

Sex: ☐ Male ☐ Female

Relationship (required)

Date of Birth (MM/DD/YYYY)

Beneficiary's Full Name (first, middle, last)

Social Security Number

Sex: ☐ Male ☐ Female

Relationship (required)

Date of Birth (MM/DD/YYYY)

Beneficiary's Full Name (first, middle, last)

Social Security Number

Sex: ☐ Male ☐ Female

Relationship (required)

Date of Birth (MM/DD/YYYY)

CUSTODIAN UNDER THE TEXAS UNIFORM TRANSFERS TO MINORS ACT

You may designate a custodian if any beneficiary is under 21 years of age. See attached instructions.

Custodian's Name (first, middle, last)

Custodian's Relationship to Beneficiary

MEMBER SIGNATURE REQUIRED

If you complete any part of page 2, your signature is required on both pages 1 and 2.

By signing this form, I certify that I have read the attached instructions. I understand that death benefits will only be paid to the alternate beneficiary(ies) listed above in the event I am not survived by any primary beneficiary(ies) designated on page 1 of this form or my relationship with each primary beneficiary has terminated.

Member's Signature

Date Signed (MM/DD/YYYY)

SPECIAL INSTRUCTION: Completion of this section is optional. If completed, page 2 must accompany page 1 when submitted to our system.

EXPLAINING YOUR RETIREMENT OPTIONS

RETIREE LIFE ONLY BENEFIT

A retirement benefit payable monthly as long as you live. However, upon your death all payments will cease even though you may have received only one monthly payment.*

RETIREE LIFE – SURVIVOR BENEFITS

- 100%** A retirement benefit payable monthly as long as you live. At your death, your beneficiary will receive 100% (the full amount) of the monthly benefit for as long as he or she lives. If your beneficiary dies before you, the monthly payments you receive after that will be increased to the amount that would have been payable as a Retiree Life Only Benefit. *
- 75%** A retirement benefit payable monthly as long as you live. At your death, your beneficiary will receive 75% (three-fourths) of the monthly annuity for as long as he or she lives. If your beneficiary dies before you, the monthly payments you receive after that will be increased to the amount that would have been payable as a Retiree Life Only Benefit. *
- 50%** A retirement benefit payable monthly as long as you live. At your death, your beneficiary will receive 50% (one-half) of the monthly annuity for as long as he or she lives. If your beneficiary dies before you, the monthly payments you receive after that will be increased to the amount that would have been payable as a Retiree Life Only Benefit. *

RETIREE LIFE – GUARANTEED TERM BENEFITS

- 5 yr** A retirement benefit payable monthly as long as you live. However, should you die before the expiration of a 5-year period after the date of retirement, your designated beneficiary will receive the same benefit for the balance of the 5-year period, and then all payments cease.*
- 10 yr** A retirement benefit payable monthly as long as you live. However, should you die before the expiration of a 10-year period after the date of retirement, your designated beneficiary will receive the same monthly benefit for the balance of the 10-year period, then all payments cease.*
- 15 yr** A retirement benefit payable monthly as long as you live. However, should you die before the expiration of a 15-year period after the date of retirement, your designated beneficiary will receive the same monthly benefit for the balance of the 15-year period, then all payments cease.*

*** If you and your designated beneficiary, die prior to having recovered the amount of accumulated contributions and interest in your individual account at the time of retirement, the remaining balance will be paid to your estate or beneficiary. If you elect to receive a partial lump sum distribution on the effective date of your retirement, your remaining balance will be reduced by the same dollar amount.**

TMRS WILL NOT ACCEPT:

- Attachments (listing additional beneficiaries)
- Alterations without initials
- An incomplete form or any attempt to change its provisions
- An unacceptable designation

Selection of Partial Lump Sum Distribution



MEMBER INFORMATION

Please type or use only black ink and do not highlight. Any corrections must be initialed.

Member's Name (first, middle, last)

TMRS Identification Number (not required)

Social Security Number

Mailing Address

Daytime Phone Number

City

State

Zip

Employing City

PARTIAL LUMP SUM ELECTION

The Partial Lump Sum Distribution I elect is the amount of the Retiree Life Only* benefit multiplied by:

(Please check only **one** box) ☐ 12 ☐ 24 ☐ 36

* The Retiree Life Only benefit is used here only to calculate the amount of your Partial Lump Sum Distribution. You can select any of the seven retirement options for retirement purposes (see the Selection of Retirement Plan form).

NOTE: The amount of your Partial Lump Sum Distribution cannot be more than 75% of your account balance.

PARTIAL LUMP SUM DISTRIBUTION – Choose **one** of the following:

☐ Direct Payment to Member

I want the entire Partial Lump Sum Distribution (less 20% withholding) paid directly to me.

NOTE: The IRS may require you to pay a 10% tax penalty, in addition to regular federal income tax, on your Partial Lump Sum Distribution. You may wish to consult with a tax advisor or the IRS to determine your potential liability.

☐ Direct Rollover to IRA/Employer Plan

I want the taxable portion of my Partial Lump Sum Distribution transferred to the plan named below and represent to TMRS that it is an eligible plan for the purpose of this transfer.

If you want to roll over any part of the nontaxable portion of this distribution, or roll over into a Roth IRA, please contact TMRS for further instructions.

Rollover amount: ☐ the entire taxable portion OR ☐ \$_____ (specific amount)

Account description: ☐ Traditional IRA ☐ Employer Plan

Name of Rollover Institution

Address of Rollover Institution

City

State

Zip

Account Number (if applicable)

Phone Number of Rollover Institution

MEMBER CERTIFICATION – I certify and understand that:

- ☐ I have received the printed explanation, Special Tax Notice Regarding Plan Payments, prior to signing this certification and waive the requirement of 30 days notice by checking one of the boxes above, affirmatively electing to make or not make a direct rollover.
- ☐ Federal income tax law requires TMRS to withhold 20% income tax from the taxable portion of my Partial Lump Sum Distribution unless I elect to have the taxable portion transferred directly to a traditional IRA or other eligible employer plan that accepts rollovers. Federal income taxes will be withheld **only** on the portion of taxable income that is not transferred to an IRA or an eligible employer plan.

Member's Signature

Date Signed (MM/DD/YYYY)

Please read the instructions provided with this form.



PURPOSE

The Partial Lump Sum Distribution form (TMRS-PLSD) allows you to receive a one-time, partial lump sum payment in addition to your monthly retirement benefit. If you are taking a Partial Lump Sum Distribution, you must complete and return this form to TMRS along with your retirement application. Election of the Partial Lump Sum Distribution will reduce your monthly annuity payment.

IMPORTANT TAX INFORMATION

A Partial Lump Sum Distribution is eligible for “rollover” according to the Internal Revenue Service (IRS).

Therefore, you have 2 payment options:

1. Paid in a “direct rollover” to a traditional IRA or eligible employer plan – You may roll over all or part of the taxable portion of your payment:

- The non-taxable portion of your lump-sum payment, if any, is eligible for rollover under certain circumstances. Please contact TMRS for further information.
- Your payment will not be taxed in the year of the payment, and no income tax will be withheld;
- Your payment will be made directly to your IRA or eligible employer plan; and
- You will not be required to pay tax until you withdraw it from the IRA or eligible employer plan.

Note: A SIMPLE IRA, Education IRA or a nongovernmental 457 plan are not eligible to receive a rollover.

2. Paid directly to you –

- TMRS will withhold 20% of the taxable portion for IRS purposes;
- Your payment will be taxed in the year of the payment;
- Special tax rules that could reduce the tax you owe on a lump sum distribution probably do not apply to this payment;
- If you receive the payment before age 59½, you may also be required to pay an additional 10% income tax; and
- You can decide to roll over all or part of the payment to an IRA or eligible employer plan if you do so within 60 days of the receipt of payment.

INFORMATION ABOUT HOW THE PLSD IS CALCULATED

In the “Partial Lump Sum Election” section, you should check either 12, 24, or 36. The amount of the Partial Lump Sum Distribution is calculated by multiplying the amount of the Retiree Life Only option times 12, 24, or 36. This calculation is part of the estimate that should be provided to you prior to making this election.

WHEN TO EXPECT YOUR PARTIAL LUMP SUM DISTRIBUTION

Your Partial Lump Sum Distribution payment will be deposited electronically along with your first monthly payment to the financial institution and the account indicated on your TMRS Direct Deposit Authorization form. Any portion of the payment that is rolled over will be sent directly to the financial institution that you indicate.

HOW TO OBTAIN ADDITIONAL TAX INFORMATION

The above tax information summarizes only the federal (not state and local) tax rules that may apply to your payment. You may want to consult a professional tax advisor before you take a payment of your benefits. Along with this form you should receive (and read carefully) the “Special Tax Notice Regarding Plan Payments,” or you can request IRS provide you with Publications 575 and 590.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice explains how you can continue to defer federal income tax on your retirement savings in the Texas Municipal Retirement System (the "Plan") and contains important information you will need before you decide how to receive your Plan benefits. The Texas Municipal Retirement System (your "Plan Administrator") is providing you this notice because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan). This Plan is a plan qualified under Code section 401(a).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact the Texas Municipal Retirement System at 800.924.8677, by mail at P.O. Box 149153, Austin, Texas 78714-9153 or through e-mail: phonecenter@TMRS.com

Summary

There are two ways you may be able to receive a Plan payment that is eligible for rollover: (1) certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or (2) the payment can be PAID TO YOU.

If you choose a **DIRECT ROLLOVER**:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover **PAID TO YOU**:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Your Right to Waive the 30-Day Notice Period. Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after the Plan Administrator receives it.

I. Payments That Can And Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

After-tax contributions. If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

- ***Rollover into a Traditional IRA.*** You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your plan administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion. If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Internal Revenue Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined. Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

■ **Rollover into an Employer Plan.** You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) to another section 401(a) plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You **CANNOT** roll over after-tax contributions from a section 401(a) plan to a section 403(b) tax-sheltered annuity or to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following type of payment **cannot** be rolled over:

Required Minimum Payments. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you.

The Plan Administrator of this Plan should be able to tell you if your payment includes amounts that cannot be rolled over.

II. Direct Rollover

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER.

DIRECT ROLLOVER TO A TRADITIONAL IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER TO AN ELIGIBLE PLAN. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer’s plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

CHANGE IN TAX TREATMENT RESULTING FROM A DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or

traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from this Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled “Additional 10% Tax if You Are under Age 59½” and “Special Tax Treatment if You Were Born before January 1, 1936.”

III. Payment Paid to You

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, **it is subject to 20% federal income tax withholding** on the taxable portion. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Income Tax Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see “Sixty-Day Rollover Option” below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, **you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment.** The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: *The taxable portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you*

roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

Additional 10% Tax If You Are Under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax. The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer. For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

■ **Ten-Year Averaging.** If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

■ **Capital Gain Treatment.** If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment

only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

NOTE: A payment received from this Plan in connection with a partial lump sum distribution or an extra monthly retirement payment (Distributive Benefit) may not be eligible for the special tax treatment for lump sum distributions discussed in this section.

IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

How To Obtain Additional Information

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

Acceptable Proofs of Birth

Purpose:

Date of birth must be verified before payment of any monthly annuity can be made. Date of birth may be established by providing an **unaltered photocopy** of any one of the documents listed below.

- **Texas Drivers License or Texas Identification Card**
- **Official Certificate of Birth** issued by the state in which the birth occurred. Consult the County Clerk for necessary forms and instructions. No hospital issued certificates.
- **Delayed Certificate of Birth** issued by the state in which the birth occurred. Consult the County Clerk for necessary forms and instructions.
- **Bureau of Census Transcript** from Dallas, Texas, 214.640.4470, stating the age of the individual at the time a census was registered.
- **Baptismal or Parish Record** indicating the age of the individual at the time of baptism. Please complete a Baptismal or Parish Record Affidavit if this form of proof of birth is submitted (contact TMRS at 800.924.8677).
- **Family Bible Record** indicating the birth date of the individual. Please complete a Family Bible Record Affidavit if this form of proof of birth is submitted (contact TMRS at 800.924.8677).
- **Naturalization/Immigration Certificate** indicating the age of the individual.
- **Armed Forces Discharge Papers (DD214 or equivalent).**
- **Signed letter from Social Security Administration** indicating the date of birth of the individual, which has been accepted by Social Security Administration.
- **Passport.**
- **School Record.**
- **Insurance Policy** (must be at least 10 years old).
- **Marriage License** indicating either date of birth or age at time of marriage of individual.
- **Child's Birth Certificate** indicating age of parent (individual whose date of birth is being certified).

Name Certification

If the name provided on the proof of birth is different from the name on TMRS records, a Name Certification (TMRS-30) must be completed by the member or beneficiary that certifies the two names are the same person.



Name Certification

MEMBER INFORMATION

Please type or use only black ink and do not highlight. Any corrections must be initialed.



| | | | |
|-------------------------------------|-------|-------|---|
| <hr/> | | | <hr/> |
| | | | TMRS Identification Number (not required) |
| <hr/> | | | <hr/> |
| Member's Name (first, middle, last) | | | Social Security Number |
| <hr/> | | | <hr/> |
| Mailing Address | | | Daytime Phone Number |
| <hr/> | | | <hr/> |
| <hr/> | <hr/> | <hr/> | <hr/> |
| City | State | Zip | City Name (required) |
| <hr/> | | | <hr/> |
| | | | City Number |

PURPOSE

The purpose of this Name Certification is to certify that even though names may differ on plan records, the person is one and the same. Completion of this form is mandatory **only** if the name(s) on the proof of birth is different from the name(s) on TMRS records.

I, _____, hereby certify and do solemnly swear that I am
(Affiant's name as indicated on TMRS record)

_____, and my true and correct date of birth is _____
(Affiant's name as indicated on proof of birth) (MM/DD/YYYY)

| | |
|---------------------|--------------------------|
| <hr/> | <hr/> |
| Affiant's Signature | Date Signed (MM/DD/YYYY) |

NOTARIZATION REQUIRED

The State of Texas County of _____

Before me on this day personally appeared _____, known to me to be the person who signed the above Name Certification and declared to me upon oath that the statement therein contained are true and correct. Given under my hand and seal of office this _____ day of _____, 20_____.

(SEAL)

Notary Public, State of Texas

NOTICE TO PERSONS SIGNING THIS AFFIDAVIT

Section 851.101 of the Texas Government Code provides for punishment by fine and/or imprisonment of (i) a person who knowingly makes a false statement in a report or application to the retirement system in an attempt to defraud the system or (ii) a person who knowingly makes a false certificate of an official report to the retirement system.



Direct Deposit Authorization



PERSONAL DATA

Please type or use only black ink and do not highlight. Mail or fax completed form to TMRS.

Name (first, middle, last)

Social Security Number

Mailing Address

Date of Birth (MM/DD/YYYY)

City

State

Zip

Daytime Phone Number

E-mail Address

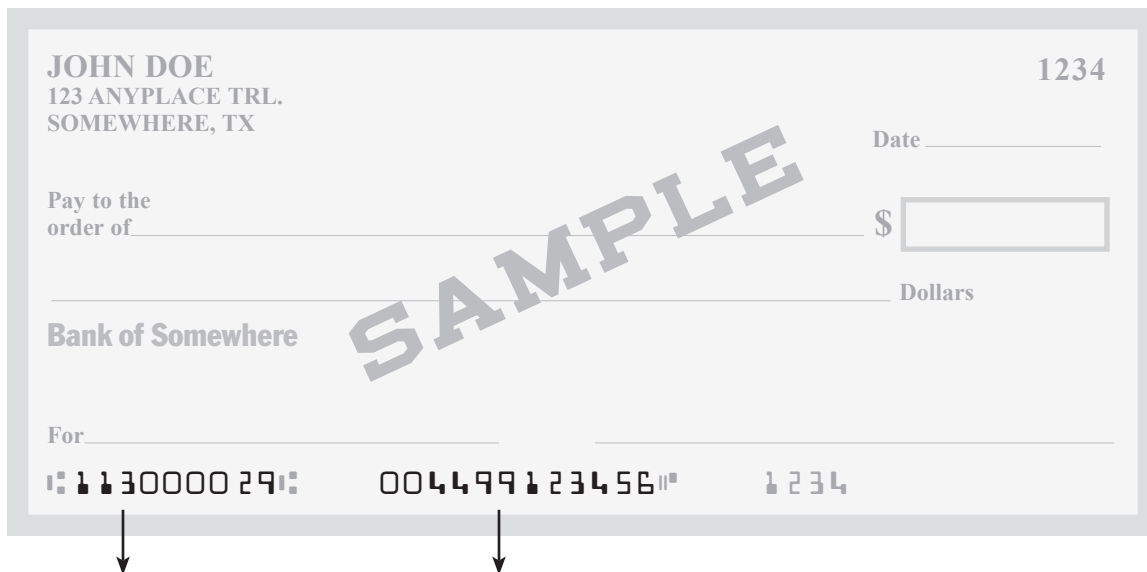
TMRS Identification Number (not required)

FINANCIAL INSTITUTION DATA

Financial Institution Name

Financial Institution Phone Number

To ensure accuracy, please tape a voided check here *(no deposit slips)*.



Routing Number (first nine digits)

Payee Account Number

Name(s) on Financial Account*

*Note: If you are not an account holder on this account, we cannot process your request for direct deposit.

Type of Account: ☐ Checking ☐ Savings

PAYEE'S AUTHORIZATION

I authorize the Texas Municipal Retirement System (TMRS) to deposit my monthly retirement benefit electronically to the financial institution and the account indicated above. I also authorize TMRS to correct any credit entries made in error.

Payee's Signature

Date (MM/DD/YYYY)

Important Information About Direct Deposit

- **ACCOUNT CHANGES** If you change your account or account number, you must file another direct deposit authorization.
- **FUND AVAILABILITY** Generally, your money will be deposited to your account and available by the last business day of the month.

